

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10  
L-03 NSAE-00 NSC-05 PA-02 SP-02 SS-15 ICA-20  
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R 101223Z APR 78  
FM AMEMBASSY NEW DELHI  
TO SECSTATE WASHDC 0803  
INFO AMCONSUL BOMBAY  
AMCONSUL CALCUTTA  
AMCONSUL MADRAS

UNCLAS NEW DELHI 5541

E.O. 11652: N/A  
TAGS: TECH, IN  
SUBJECT: INDIAN PRESS PLAY OF SECRETARY'S MEETING WITH  
AMBASSADOR PALKHIVALA ON TARAPUR AND OTHER SUBJECTS

1. OVER THE WEEKEND THE DELHI PRESS PROMINENTLY  
FEATURED REPORTS FROM WASHINGTON ON THE SECRETARY'S  
MEETING WITH AMBASSADOR PALKHIVALA. MOST OF THE  
PAPERS USED THE SAMACHAR REPORT, WHICH SAID THAT THE  
SECRETARY ASSURED PALKHIVALA THAT THE ADMINISTRATION  
IS TRYING TO EXPEDITE THE SHIPMENT OF 7.6 TONS OF  
ENRICHED URANIUM FOR TARAPUR. THE INDIAN AMBASSADOR  
REPORTEDLY STRESSED THE URGENCY OF RELEASING THE SHIP-  
MENT AND ALSO REVIEWED WITH THE SECRETARY THE REGULATORY  
PROVISIONS OF THE RECENTLY-ENACTED NUCLEAR NON-  
PROLIFERATION ACT. ACCORDING TO SAMACHAR, PALKHIVALA  
POINTED TO THE PROVISIONS "THAT WERE DISCRIMINATORY  
IN NATURE AND THOSE THAT HURT A NATION'S SELF-  
RESPECT." SAMACHAR ALSO REPORTED THAT PALKHIVALA  
"IS UNDERSTOOD TO HAVE GAINED THE IMPRESSION THAT THE  
ADMINISTRATION IS PLAYING A HELPFUL ROLE" IN THE  
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ISSUE OF THE TARAPUR FUEL SHIPMENT. THE SAMACHAR  
REPORT STATED THAT THE NUCLEAR REGULATORY COMMISSION  
IS SCHEDULED TO MEET ON APRIL 17, AT WHICH TIME "IT  
IS EXPECTED THAT THE TARAPUR SHIPMENT WILL BE CLEARED."

2. IN AN APRIL 9 ARTICLE ENTITLED "U.S.A. DRAGS ITS  
FEET ON TARAPUR," THE "STATESMAN'S" WASHINGTON

CORRESPONDENT, WRREN UNNA, REVIEWED THE SECRETARY'S MEETING WITH PALKHIVALA AND NOTED THAT THE SECRETARY'S ASSURANCES "CAME JUST A FEW HOURS AFTER THE NRC ONCE AGAIN POSTPONED HOLDING A MEETING TO APPROVE THE DESPATCH OF ENRICHED URANIUM, WHICH SHOULD HAVE BEEN SENT LAST SEPTEMBER -- SEVEN MONTHS AGO." UNNA NOTED THAT "DESPITE APPROVAL FROM THE VERY TOP, THE BUREAUCRACY WITHIN THE U.S. GOVERNMENT HAS RPCEEDED AT ITS OWN PACE." HE COMMENTED THAT THE APRIL 7 MEETING OF THE NRC WAS CANCELLED ON ONLY AN HOUR'S NOTICE AND THAT NO EXPLANATION WAS GIVEN. UNNA ALSO WROTE THAT THE NEXT MEETING CANNOT BE HELD UNTIL THE WEEK OF APRIL 17.

3. THE "HINDU'S" WASHINGTON CORRESPONDENT, EASWAR SAGAR, REPORTED IN THE APRIL 9 EDITION ALONG LINES SIMILAR TO UNNA'S ARTICLE. REGARDING THE CANCELLATION OF THE APRIL 7 NRC MEETING, SAGAR SPECULATED THAT THE REASON COULD NOT HAVE BEEN A LACK OF QUORUM, SINCE ALL FOUR COMMISSIONERS WERE REPORTED TO BE IN TOWN. HE ALSO NOTED THAT THE EXPECTATION OF THE STATE DEPARTMENT AND THE INDIAN EMBASSY WAS THAT THE NRC AT ITS APRIL 7 MEETING WOULD SANCTION THE SHIPMENT WHILE AT THE SAME TIME DECIDE TO HOLD HEARINGS "ON THE GENERIC ISSUES INVOLVED" AT A LATER DATE. SAGAR WENT ON TO REPORT THAT "INDEPENDENT INQUIRIES" UNCLASSIFIED

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IN WASHINGTON HAVE REVEALED "AN ENTIRELY NEW HURDLE, MORE SERIOUS THAN THE OBSTACLES POSED BY THE ENVIRONMENTALISTS." ACCORDING TO SAGAR, LEGAL OPINION AT THE NRC HAS DISCOVERED THAT SECTION 302 OF THE NUCLEAR NON-PROLIFERATION ACT OF 1978 RAED IN CONJUNCTION WITH SECTION 126 OF THE ATOMIC ENERGY ACT OF 1954 AS AMENDED IN 1975, "REQUIRES THE UNITED STATES TO BEGIN RENEGOTIATION OF ALL OLD AGREEMENTS (INCLUDING TARAPUR) BEFORE THE ACT OF 1978 IS THIRTY DAYS OLD." IN THIS VIEW, THE NRC "BELIEVED IT WOULD BE JUMPING THE GUN IF IT SANCTIONED A LICENSE FOR THE TARAPUR FUEL BEFORE RENEGOTIATIONS HAD BEGUN." HOWEVER, SAGAR REPORTED THAT STATE DEPARTMENT OFFICIALS INTERPRET THE ACT DIFFERENTLY AND MAINTAIN THAT THE THIRTY-DAY REQUIREMENT APPLIES ONLY TO EURATOM COUNTRIES, NOT TO INDIA. SAGAR COMMENTED THAT THE RENEGOTIATION ISSUE IS A SERIOUS ONE SINCE IT COULD BE CONSTRUED 'AS A SUBMISSION BY INDIA TO THE PRINCIPLE OF FULL-SCOPE SAFEGUARDS AS WELL AS ABANDONMENT OF ITS RIGHT TO HOLD THE UNITED STATES TO ITS CONTRACTUAL OBLIGATIONS UNDER THE ORIGINAL TARAPUR AGREEMENT,' ON THE OTHER HAND, WERE INDIA TO REFUSE RENEGOTIATION BEFORE THE THIRTY-DAY DEAD-

LINE, IT COULD FORFEIT FURTHER FUEL SUPPLIES. SAGAR CONCLUDED THAT "INEPT HANDLING AT SEVERAL LEVELS" HAS FURTHER COMPLICATED THE TARAPUR PROBLEM.

4. THE SAMACHAR AND UNNA REPORTS ALSO STATE THAT THE SECRETARY AND AMBASSADOR PALKHIVALA REVIEWED DEALS OF PRIME MINISTER DESAI'S VISIT TO THE U.S. ACCORDING TO THESE ARTICLES, THE PM WILL ARRIVE IN NEW YORK JUNE 8, ADDRESS THE U.N. SSOD ON JUNE 9 AND THEN SPEND THE WEEKEND IN SAN FRANCISCO BEFORE COMING TO WASHINGTON FOR TALKS WITH PRESIDENT CARTER ON JUNE 13-14.

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## Message Attributes

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